

Crown Pastoral Land Tenure Review

Lease name : LAUDER

Lease number : PO 376

Due Diligence Report (including Status Report)

This report and attachments results from a pre-Tenure Review assessment of the pastoral lease for the purpose of confirming land available for Tenure Review and any issues, rights or obligations attaching to it. The information is gathered from files and other sources available to the LINZ contractor.

Part of the information relates to research on the status of the land, resulting in a Status Report that is signed off by a LINZ approving officer. The remainder of the information is not analysed for relevancy or possible action until required, and LINZ does not guarantee its accuracy or completeness as presented.

The report attached is released under the Official Information Act 1982.

January

06

DUE DILIGENCE REPORT

CPL PRE TENURE REVIEW ASSESSMENT STANDARD 6:


File Ref:	CON50268/09/ 12615 (Po376)	Report No: AT2117	Report Date: 19 September 2002
Contractor's Office	Alexandra	LINZ Case No: TR03/181	Date sent to LINZ: 26 SEPT 2002

RECOMMENDATIONS:

1. That the Commissioner of Crown Lands or his delegate **note** this Due Diligence Report which has been prepared in accordance with the PRE Tenure Review Assessment Standard.
2. That the Commissioner of Crown Lands or his delegate **note** the following incomplete actions which require action by the Manager of Crown Property Contracts.


None identified.

Signed for DTZ New Zealand Limited:



 P R Diver:

Approved/Declined (pursuant to a delegation from the Commissioner of Crown Lands) **by:**



 Name: GRANT KASPER WEBLEY
 Date of decision: 9/10/02

1. Details of lease:

Lease Name: Lauder

Location: The property is located at St. Bathans running from the St. Bathans Loop Road up the dark face of the Dunstan Range and encompassing the headwaters of the Lauder basin on the Range top. The homestead is located on an adjacent 52 ha block of freehold land. Alexandra some 56 km distant is the local service centre with Dunedin some three hours by road the nearest major centre.

Lessee: Calder Farming Company Limited

Tenure: Pastoral lease under the Land Act 1948 and Crown Pastoral Land Act 1998. Pastoral Lease Number 376

Term: 33 years from 1 July 1970 to 30 June 2003.

Annual Rent: █████ (plus GST)

Rental Value: Originally based on unimproved stock carried of 2772 su

Date of Next Review: 1 July 2003

Land Registry Folio Ref: CIR OT 12C/1139

Legal Description: Part Run 226B situated in Lauder, Cluden and Blackstone Survey Districts and Section 6 Block IV Blackstone Survey District.

Area: 4224.9724 hectares

2. File Search:

Files held by LINZ Christchurch.

<i>File Reference</i>	<i>Volume</i>	<i>First Folio</i>	<i>Date</i>	<i>Last Folio</i>	<i>Date</i>
Po/327-SDN-01	1	415	28/4/1969	511	14/6/1979
Po/327-SDN-02	2	512	18/1979	609	20/12/1988
Po/376-SDN-02	1	1	17/3/1989	66	2/9/1988
7900-04-P376	1	1	Undated	1	Undated

Files held by contractor in Alexandra on behalf of LINZ:

<i>File Reference</i>	<i>Volume</i>	<i>First Folio</i>	<i>Date</i>	<i>Last Folio</i>	<i>Date</i>
Po376	4	1	Undated	66	18/11/1999
CON/50213/09/12615/ A-ZNO	5	1	10/10/2000	35	21/2/2000

Only files immediately prior to lease issue in 1969 and since that date were available for search.

SGR 1304 (*21 years from 1 March 1949*) over Run 226B and Section 6 Blackstone, Cluden, Lauder and St Bathans Survey Districts expired on 28 February 1970.

A pastoral lease (*P327*) was approved for 33 years from 1 July 1970 (*plus a broken period*) with a stock limitation of 6000 sheep (*including not more than 2400 breeding ewes*) and 50 cattle (*including not more than 35 breeding cows*). While run in conjunction with 473 acres of freehold no objection to 7200 sheep (*including not more than 3400 breeding ewes*) and 50 cattle (*including not more than 35 breeding cows*). The area of the lease was 16612 acres 2 roods and 31 perches. S E Harley who had held the SGR 1304 since 1954 took up the lease.

A Soil and Water Conservation plan involving cattleproofing, conservation fencing and onsite aerial oversowing was undertaken in 1970. A legal agreement is registered on the lease document (*Memorial 358309*) in 1970.

A personal stock exemption was granted in 1974 for 6450 sheep (*including not more than 2700 breeding ewes*) and 185 cattle (*including not more than 135 breeding cows*). While run in conjunction with 747 ha of freehold no objection to 9200 sheep (*including not more than 4700 breeding ewes*) and 235 cattle (*including not more than 190 breeding cows*).

A second Soil and Water Conservation plan involving more cattleproofing, conservation fencing and onsite aerial oversowing was adopted in 1970. A legal agreement was not registered in relation to this. The programme contained no destocking or surrender issues.

E Harley transferred 2/3 share of the property to his two sons D G and D A Harley in 1976. D A Harley was appointed approved manager.

Rural bank development loans were taken out in 1976 and 1978.

E Harley transferred his remaining 1/3 share of the property to a two Family Trusts (*one for each brothers family*) in 1976.

A personal stock exemption was granted in 1978 for 6600 sheep (*including not more than 2500 wethers*) and 185 cattle (*including not more than 135 breeding cows*). While run in conjunction with 747 ha of freehold no objection to 10000 sheep (*including not more than 2500 wethers*) and 300 cattle (*including not more than 190 breeding cows*).

A personal stock exemption was granted in 1981 for 7000 sheep (*including not more than 2500 wethers*) and 200 cattle (*including not more than 150 breeding cows*). While run in conjunction with 530 ha of freehold no objection to 11500 sheep (*including not more than 2500 wethers*) and 320 cattle (*including not more than 220 breeding cows*).

In 1982 a proposal to subdivide the lease between the brothers was investigated and had good support but was halted by the brothers who wanted more time to investigate it.

A personal stock exemption was granted in 1982 for 7250 sheep (*including not more than 2500 wethers*) and 200 cattle (*including not more than 150 breeding cows*). While run in conjunction with 530 ha of freehold no objection to 11750 sheep (*including not more than 2500 wethers*) and 325 cattle (*including not more than 225 breeding cows*).

A third stage Conservation Farm Plan programme involving fencing of the Lauder Basin and agreed grazing pattern was approved in 1985. No legal agreement was registered on the lease document in relation to this.

The application to subdivide and reclassify was re activated in 1985.

In 1985 DG Harley transferred half of this 1/3 share of the lease to his wife under the Matrimonial Property Act.

The Dunstan/Pisa Protected Natural Areas Programme survey identified a Recommended Area for protection (*A1 - North Dunstans*) being the headwaters of the Lauder Basin with botanical and entomological values.

Subdivision of the pastoral lease was approved in 1986 into two pastoral leases with D A Harley taking 5722ha with a stock limitation of 4300 sheep (*including not more than 1680 breeding ewes*) and 35 cattle (*including not more than 20 breeding cows*).

D G Harley took approximately 1000 ha of the lease and the freehold blocks of the property and was to have a stock limitation of 1700 sheep (*including not more than 720 breeding ewes*) and 15 cattle (*including not more than 10 breeding cows*).

The lessees were required to undertake not to alter the current stocking of the proposed PNA areas and enter a right of way in favour of each other on the access track that traversed both leases.

P376 was issued on 27 July 1988 to D A Harley (*1/2 share*) D G Harley (*1/3 share*) and L R Harley (*1/6 share*) as tenants in common over 5741.0724 ha with a stock limitation of 4300 sheep (*including not more than 1680 breeding ewes*) and 35 cattle (*including not more than 20 breeding cows*).

In 1989/90 a burning application involving the RAP area in the Lauder Basin was much debated but finally approved on a restricted basis.

In 1991 the ownership was transferred to the David Allan Harley Trust. A sub-lease of 2933ha area (*Lauder Basin*) to Donald and Leanne Harley was approved to jointly run wethers on the area.

A track to assist fence erection in the Back Block was approved in 1990.

Proposals to implement the protection of the RAP area from covenants to purchase were investigated in 1990/91 resulting in a purchase of a 1516.1 ha area containing the RAP in 1991. This was surveyed (SO 23583) and removed from the lease by memorial 837199/3 on 27 August 1993. The surrendered area contains an easement to allow the lessee's access through the area to the far side of the Lauder Basin. Approval for the surrender was given subject to the provision of an access agreement through the lease (P376 and also P375) See folio 6 Volume 4.

Although the surrender was executed the provision of an access easement across the lease was unable to be negotiated and the lessee has full control of access to the area via the lease. No stock limitation alteration after surrender was made.

The lease was transferred to Calder Farming Company Limited in 1995.

A new personal stock limit of 4855 sheep (*including not more than 1050 wethers*) and 85 cattle (*including not more than 35 breeding cows*) was set.

The sub-lease of the hill country to D G Harley and Trust which had been operational since 1988 was approved and registered in 1996, as well as the right of way in 1995 that was part of the original approval of subdivision. The first lease document was altered to the name of Calder Farming Company due to incorrect order of registration.

A memorandum of variation was also registered to cover share transfers and liability of company employees.

An easement to convey water was processed and registered in 1995 in favour of the Omakau Area Irrigation Company. This covered the water race that cut through the bottom of the lease near the St Bathans Loop road.

Only routine issues of approvals of minor activities and burning consents have been approved since then.

Although no information is contained in files it is noted that the sub-lease on the lease document has been cancelled in 2000. It is assumed that this occurred when D G Harley sold the adjacent lease of P375.

The marginal strip file contains no investigation sheets.

File search shows there are no recreation permits associated with this lease.

3. Summary of lease document:

Terms of lease:

The commencement date of the pastoral lease on Crown files is in agreement with the Lease Document (OT 12C/1139)

The lease was issued from 1 July 1970 under the Land Act 1948 for a term of 33 years with a fixed rent of [REDACTED] for that period over total of 5741.0724 ha.

No non-standard conditions exists on the lease.

The legal description on the Computer Interest Register does not agree with the Status Check (see Status Check Section of this report for details.)

Original Lease Stock Limit:

- 4300 Sheep (including not more than 1680 breeding ewes).
- 35 Cattle (including not more than 20 breeding cows).

Personal Stock Exemption (19 May 1994):

Pastoral lease 4855 sheep (including not more than 1050 wethers) and 85 cattle (including not more than 35 cows).

While run in conjunction with 71 ha of freehold land an overall limitation of 5640 sheep (including not more than 1050 wethers) and 100 cattle (including not more than 50 cows).

Renewals and variations:

No renewals.

- 884917.9 Memorandum of Variation of lease – 13 October 2000 (variation requiring CCL approval for company share transfers and liability of company employees and breaches of covenants).

Area adjustments:

Original lease area	5741.0724 ha	
Less surrender (to DoC)	1516.1 ha	837199
Total	4224.9724 ha	

This area is in agreement with the Status Check and with the Computer Interest Register cover sheet.

Registered interests:

Mortgages:

- 981355.3 Mortgage to ASB Bank Limited- 14.1.2000

Other Interests:

358309 Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 1941 – 30 July 1990. (*Conservation Farm Plan agreement - containing no issues for tenure review. Its maintenance agreement period has expired and it could be removed from the lease*). The date of registration shown on the lease document and the Computer Interest Register is incorrect. The registration should read 30 July 1970.

Deed of easement embodied in OT 16D/601 – 22 June 1995. (*An right of way easement in favour of OT 12C/1138. A reciprocal easement with the divided off "Cambrians" – now a separate lease*).

16D/997 Transfer creating easements in gross to convey water in favour of the Omakau Area Irrigation company – 30 June 1995 (*easement for company irrigation race*).

No Compensation Certificates are registered.

No Electricity Agreements are registered.

4. Summarise any Government programmes for the lease:

Three Conservation Farm Plan Programmes involving cattleproofing, conservation fencing and onsite aerial oversowing was undertaken between 1970 and 1986. All works were completed. The plan contained no surrender of land, permanent grazing restrictions or issues that would affect tenure review.

A legal agreement is registered on the lease document (*Memorial 358309*) in 1970 for the first plan but the maintenance period has expired (*10 years*) and it has no effect and could be removed.

The property was not part of the Rabbit and Land Management Programme.

5. Summary of Land Status Report:

Copy attached as Schedule A.

5.1 The Pastoral Lease:

The Land Status Report confirms the Crown Land Status under the Land Act 1948 and Crown Pastoral Land Act 1998 subject to PL registered as CIR OT 12C/1139.

It records four encumbrances on the lease being:

358309 Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 1941 – 30 July 1990 (*Conservation Farm Plan agreement - containing no issues for tenure review. Its maintenance agreement period has expired and it could be removed from the lease*).

Deed of easement embodied in OT 16D/601 – 22 June 1995. (*An right of way easement in favour of OT12C/1138. A reciprocal easement with the divided off “Cambrians” –now a separate lease.*)

16D/997 Transfer creating easements in gross to convey water in favour of the Omakau Area Irrigation company – 30 June 1995 (*easement for company irrigation race.*)

Subject to part IVA Conservation Act 1987 upon disposition.

All the above encumbrances are recognised in this report and commented on in Section 3 - Summary of Lease document.

The legal description is confirmed as that being used in this Due Diligence Report. This differs from the Computer Interest Register cover sheet (*see below - Issues identified requiring possible future investigation at the Due Diligence stage.*)

The Crown retains minerals ownership.

The area is confirmed as 4224.9724 ha. This agrees with the Computer Interest Register cover sheet. A full reconciliation sheet of the lease area is included in the Status Check.

The Status Check does not identify any recreation permits, DoC concessions or UCL land within the lease. DoC Christchurch identifies conservation land adjoining the lease being the 1516.1 ha conservation land (*G40110*) surrendered from the lease in 1993. No marginal strips are identified. This report agrees with this analysis.

No mining interest recorded on the lease. This report agrees with this.

Issues identified requiring possible future investigation at the Due Diligence stage were:

- (1) The legal description as shown on OT12C/1239 is incorrect and should read Part Run 226B situated in Lauder, Cluden and Blackstone Survey Districts and Section 6 Block IV Blackstone Survey District. (*This report agrees with this.*)

Other Land:

No other land is reported on.

6. *Review of topographical and cadastral data*

Topographical Map.

No water races are marked on or crossing the lease.

The formed, gravel, and fenced St Bathans Loop Road bounds the lease for a short section on the Eastern boundary.

A gravel road (*Lauder Station Road*) off this travels alongside Woolshed Creek to the homestead and nearby airstrip. No other formed roads are marked on the lease.

Internal farm access tracks are marked on the two ridges either side of Woolshed Creek on the front faces. Both these tracks appear to be mostly outside the boundary of the lease. The one to the north is known to be subject to the reciprocal access easement with "Cambrians". Access to the back of the Lauder basin from the top of the front faces is via a ridge track that traverses through the adjacent conservation lands at the head of the catchment.

Local supply electricity pylons cross the lease adjacent to St Bathans Loop Road.

No National Grid power pylons are marked crossing the lease.

No transmission sites are marked within the lease boundary.

No huts are marked.

The fenced boundaries appear to generally follow their legal line with minor variations common. The adjacent Conservation land at the head of the Lauder Basin is unfenced from the lease.

One airstrip is identified on a low hill above the homestead area.

Cadastral Map:

The Cadastral map shows no marginal strips within or adjoining the lease.

The St Bathans Loop Road bounds the lease for a short section on the eastern boundary.

The formed Lauder Station Road to the homestead appears to be on its correct legal line.

A short legal road cuts through the lease at the foot of the hill country linking with Lauder Station Road. This is unformed. From the ends of this road two legal roads bound the lease to the north and south for short distances. Both these are unformed.

The only point of note is the existence of a tailrace reserve (*Crown land – Tail Race Block IV Blackstone Survey District*) that crosses the flats adjacent to the Lauder Station Road to terminate at the boundary of Section 6 Block IV Blackstone Survey District.

The Proposed and Transitional Central Otago District Scheme Plans have two sites marked as Registered Heritage Buildings on the lease being: No 187 "Woolshed and Stables" and 186 "Bakehouse".

No issues that would affect the tenure review process were identified.

7. Details of neighbouring Crown or Conservation land:

No marginal strips on any waterways within or adjoining the lease are identified in the Status Check or DoC inventory records.

A tail race reserve (*Crown land – Tail Race Block IV Blackstone Survey District*) that crosses the flats adjacent to the Lauder Station road to terminate at the boundary of Section 6 Block IV Blackstone Survey District is within the lease. Nothing is known of the function or use of this land but it is shown on the original lease diagram and Status Check maps as excluded from the lease.

A large area of conservation lands bounds the lease in the upper Lauder Basin Catchment. This is known as the Lauder basin Conservation Area (*G40110 - 1516.1ha*) surrendered from the lease in 1993 and is quoted as having botanical (*C. macra - slim snow tussock*), entomological values (*weta population*) and landscape values. The details of the boundaries are shown on SO23583 together with four sections of access easement across the land in favour of Lauder Station to give access to the far side of the Lauder Basin within the lease. This easement has not been sighted.

Approval was given to the surrender of this land for conservation purposes and also to an easement for access to it (*folio 6 Volume 4*). No easement has ever been registered on the lease due to failure to negotiate it at surrender. The access easement is difficult as the track concerned crosses both Po376 and Po375 and agreement from both is required. The Department of Conservation administers this with details shown in the Otago Conservation Land Inventory document.

7. Summary of uncompleted actions or potential liabilities:

None identified.

The following issues are brought to your attention to note only:

- Approval was given to the surrender 1516.1ha of land for the Lauder Basin Conservation Reserve purposes and also to an easement for access to it in 1992 (*folio 6 Volume 4*). The Conservation Reserve was surrendered but no agreement to the access easement was ever obtained. This would have involved both Po376 and the adjoining Po375 as the track passes through both. Currently access through the lease is at lessee discretion. This is a matter for the Minister of Conservation to address but will likely be a factor in Tenure review negotiations.
- The legal description as shown on OT 12C/1239 is incorrect and should read Part Run 226B situated in Lauder, Cluden and Blackstone Survey Districts and Section 6 Block IV Blackstone Survey District.
- The Legal Agreement Farm Plan Date of registration shown on the lease document Memorial 358309 and the Computer Interest Register is incorrect. The registration should read 30 July 1970 not 30 July 1990.

ATTACHMENTS:

Schedule A. - Status Check.

Attachment 1 - Recent Copy of Lease Document CIR OT 12C/1139

SCHEDULE A:

Status Check.

DTZ NEW ZEALAND

This report has been prepared on the instruction of Land Information New Zealand in terms of the contract number 50268 dated September 2001 and is undertaken for the purposes of the Crown Pastoral Land Act 1998.

LAND STATUS REPORT for LAUDER STATION				[LIPS ref.12615]
Property	1	of	1	

Land District	Otago
Legal Description	Part Run 226B situated in Lauder, Cluden and Blackstone Survey Districts and Section 6 Block IV Blackstone Survey District.
Area	4,224.9724 hectares.
Status	Crown Land subject to The Land Act 1948.
Instrument of lease	Balance CIR OT 12C/1139.
Encumbrances	Land Improvement Agreement No. 358309 pursuant to Section 30A Soil Conservation and Rivers Control Act 1941. Deed embodied in Register OT 16D/601 creating a right of way easement. Transfer embodied in Register OT 16D/997 creating an easement to convey water.
Mineral Ownership	Subject to Part IVA Conservation Act 1987 upon disposition. Minerals remain with the Crown, as the land has never been alienated since its acquisition for settlement purposes from the former Maori owners under The Kcmp Deed of Purchase (1848).
Statute	Land Act 1948 & Crown Pastoral Land Act 1998.

Data Correct as at	9 August 2002
[Certification Attached]	Yes

Prepared By	Murray Bradley
Crown Accredited Agent	DTZ New Zealand

APPROVED:

.....
 Grant Kasper Webley
 Land Information New Zealand, Christchurch

Date 28 / 8 / 2002

LAUDER STATION RESEARCH - Property 1 of 1

<p>Notes : This information does not affect the status of the land but was identified as possibly requiring further investigation at the due diligence stage : See Crown Pastoral Standard 6 paragraph 6</p>	<p>(1) The legal description as shown on OT 12C/1139 is incorrect and should read as follows: Part Run 226B situated in Lauder, Cluden and Blackstone Survey District and Section 6 Block IV Blackstone Survey District. (Please refer to the attached reconciliation).</p>	
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LAND STATUS REPORT for LAUDER STATION	<i>[LIPS ref.12615]</i>
Property 1 of 1	

Research Data: *Some Items may be not applicable*

Property 1 of 1	
SDI Print Obtained	Yes -
NZMS 261 Ref	G41 and H41.
Local Authority	Central Otago District Council.
Crown Acquisition Map	Kemp Deed of Purchase.
SO Plan	SO 212 (1892) -- Defines Sections 3-9 Block IV Blackstone Survey District. SO 833 (1907) -- Defines Run 226a, 226b, 226c and 226g. SO 2325 (1940) -- Defines plan of new road through part Run 226B Blackstone Survey District. SO 22848 (1988) -- Defines Section 1 SO 22848. SO 22850 (1988) -- Defines Section 1 SO 22850. SO 23325 (1990) -- Defines plan of sublease of part Run 226B. SO 23583 (1991) -- Defines Section 1 SO 23583 being a subdivision of Part Run 226B.
Relevant Gazette Notices	N/A
CT Ref / Lease Ref	Balance C/R OT 12C/1139.
Legalisation Cards	SO 212 -- The legalisation card records the following: Legal Description : Section 3, Block IV, Blackstone SD Area : 1.6187 hectares Gazette Notice : 1991/1191 Vested in Landcorp. SO 833 -- No legalisation card. SO 2325 -- No legalisation card. SO 22848 -- The legalisation card records the following: Section 1 : Area : 5.4455 ha. SO 22850 -- The legalisation card records the following: Section 1 : Area 976.4ha. SO 23325 -- The legalisation card records the following: Area : 4450 hectares. SO 23583 -- The legalisation card records the following: Section 1 : Area 1516.1 ha Gazette Notice : 1994/855 (788217) Held for conservation purposes.
CLR	The Crown Land Register records the following: <u>Run 226B Blackstone, Cluden, Lauder and St Bathans Survey Districts and Section 6 Block IV Blackstone SD.</u> CT No : 4B/269.

	<p>SO Plan No. 833. Area : 6,722.9186ha. Notes: Section 6 Block IV Blackstone SD included in lease as at 1 November 1957. Section 6 – 8.8019ha Run 226B – 6,714.116ha.</p> <p><u>Section 6 Block IV Blackstone SD (Plus Run 226B Blackstone, Cluden, Lauder and St Bathans Survey Districts.</u> CT No. 4B/269. SO Plan No. 212 Area - 6722.9186ha. Section 6 Block IV – 8.8019ha (included in Lease No. 1304 from 1 November 1957). Run 226B – 16,590 acres, 3 roods, 3 perches.</p>
Allocation Maps (if applicable)	A check of the SOE/DOC/UCL Allocation Maps and Schedules revealed no allocations within the boundaries of the pastoral lease.
VNZ Ref - if known	28431/162 and 28250/146.
Crown Grant Maps	The Crown Grant Map for the Cluden Survey District identified Run 226B.
<p>If Subject land Marginal Strip: a) Type [Sec 24(9) or Sec 58] b) Date Created c) Plan Reference</p>	<p>(a) N/A (b) N/A (c) N/A</p>

LAND STATUS REPORT for LAUDER STATION				[LIPS ref.12615]
Property	1	of	1	

Research – continued

Property	1	Of	1	-
If Crown land - Check Irrigation Maps.				Irrigation maps do not exist for NZMS 261 G41 and H41.
Mining Maps				There are no mining interests recorded within the boundaries of the Pastoral Lease in The National Mining Index.
If Road				
a) Is it created on a Block Plan - Section 43(1)(d) Transit NZ Act 1989				(a) Crown Grant and Section 110A of Public Works Act 1928.
b) By Proc				(b) Proc 5243
c) Plan No				(c) SO Plan Nos 833 and 2325.
Other Relevant Information				
a) Concessions - Advice from DOC or Knight Frank.				(a) The attached plan illustrates an area of conservation land adjoining the boundary of the above lease. There is no concession over this land.
b) Subject to any provisions of the Ngai Tahu Claims Settlement Act 1998.				(b) Subject to Part 9 of The Ngai Tahu Claims Settlement Act 1998.
c) Mineral Ownership				(c) Mines and minerals are owned by the Crown because the land has never been alienated since its acquisition for settlement purposes from the former Maori owners under The Kemp Deed of Purchase (1848). Contained in (provide evidence): CT No. 145/68 being the earliest lease issued after the establishment of Runs in the Otago Land District.
(d) Other Information				(d) (1) The legal description as shown on OT 12C/1139 is incorrect and should read as follows: Part Run 226B situated in Lauder, Cluden and Blackstone Survey Districts and Section 6 Block IV Blackstone Survey District. (Please refer to the attached reconciliation).

LAUDER STATION PASTORAL LEASE
RECONCILLIATION OF AREA IN LEASE

	<u>Acres</u>	<u>Roods</u>	<u>Perches</u>	<u>Hectares</u>
Run 226B CT No. 145/68 14.3.1907 16,600				6,717.7817
CT No. 145/68 cancelled and new CT 228/8 issued 1. 3.1928	16,600			
Less, Proclamation No. 5243 taking land in Block IV Blackstone SD for road (SO 2325)	9		9	
	16,590 . 3.		31	
CT No 228/8 cancelled and new CT No. 315/124 issued 1. 3.1949				
Plus Certificate of Incorporation No. X19764 incorporating Section 6 Block IV Blackstone SD into CT No. 315/124.	21 . 3.		0	
	16,612 . 2.		31	6,722.9186
CT No. 315/124 cancelled and new CT No. 4B/269 issued 2. 3.1970	16,612 . 2.		31	6,722.9186
Reappellation No. 717132 whereby Part of Run226B is now known as Section 1 SO 22850.	976.4 ha			
Reappellation No. 709337/2 whereby Part of Run 226B is now known as Section 1 SO 22848.	5.4455 ha			
Less, Pursuant to Memorial No. 760287/1 Pastoral Lease 12C/1138 was issued for Section 1 SO 22850 and Section 1 SO 22848 6.8.1990				981.8455
Area remaining in PL CT 4B/269 being part Run 226B and Section 6,Blk IV,Blackstone SD prior to cancellation and issue of CT 12C/1139.				5,741.0731

Pursuant to Memorial No. 760287/2,
CT No. 4B/269 was cancelled and
new CT No. 12C/1139 was issued for the
balance of the land being Part Run 226B
Lauder, Cluden and Blackstone Survey
Districts and Section 6, Block IV
Blackstone SD 6. 8.1990

5,741.0724

Less, Memorandum of Partial Surrender
No. 837199/3 being Section 1 SO 23583

1,516.1000

4,224.9724

AREA AS RECORDED IN PRESENT LEASE

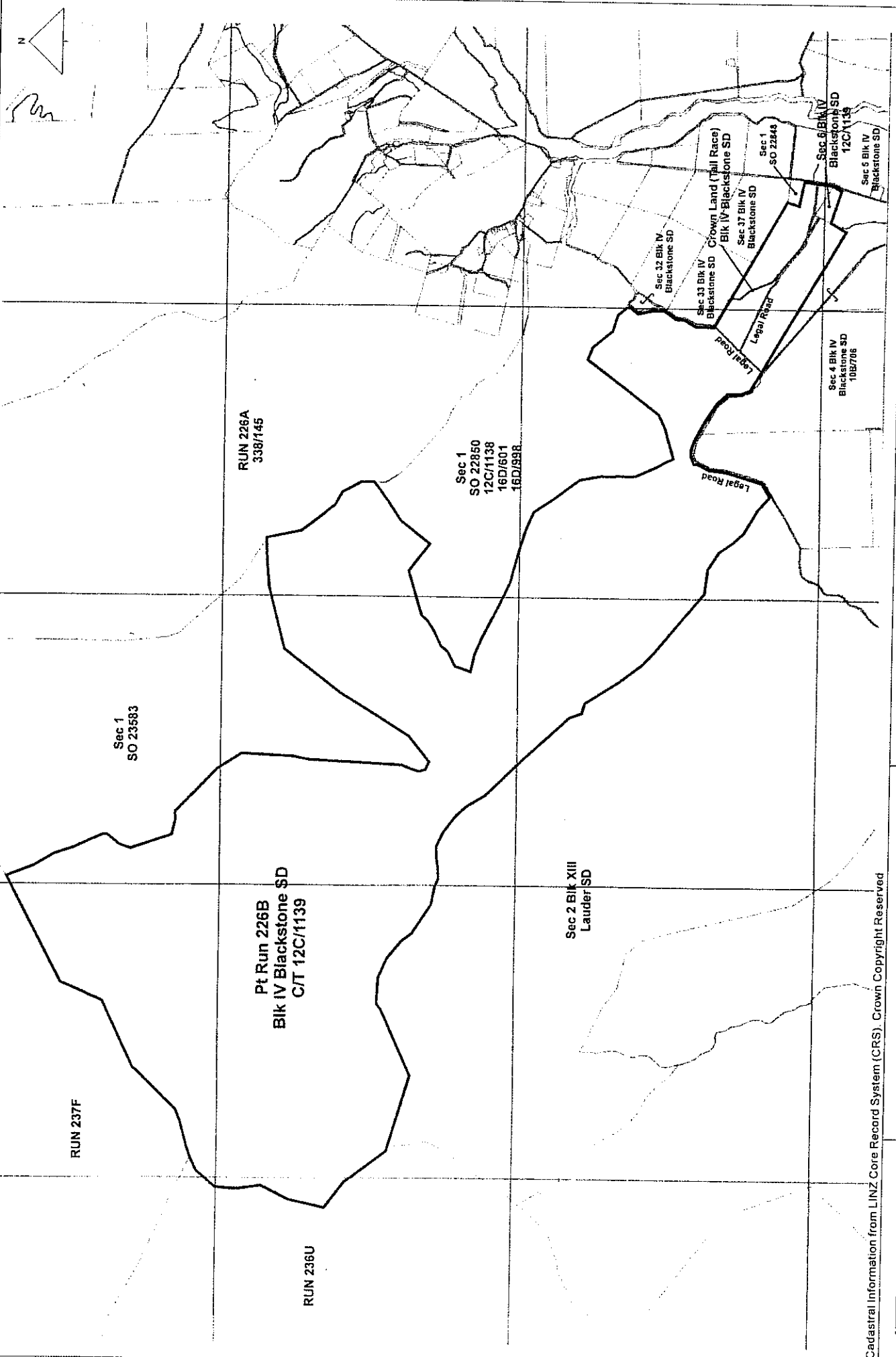
Part Run 226B and Section 6
Block IV Blackstone Survey District CT OT 12C/1139 6. 8.1990

Area in CT No. OT 12C/1139 : 4,224.9724ha
Area as per Reconciliation : 4,224.9724ha

LEGAL DESCRIPTION

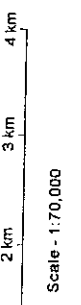
The legal description as shown on CT No. OT 12C/1139 is incorrect and should read as follows:

Part Run 226B situated in Lauder, Cluden and Blackstone Survey Districts and Section 6 Block IV Blackstone Survey District.



**Map 1 - Cadastral
LAUDER PASTORAL LEASE
OMAKAU - CENTRAL OTAGO**

PASTORAL LEASE BOUNDARY
[Subject to Part IV, Sections 24(3) and 24(9)
of Conservation Act 1987.]



Cadastral Information from LINZ Core Record System (CRS). Crown Copyright Reserved

John McMeeking
DTZ Mapping, Dunedin
03 474 0571
16.06.2002



ATTACHMENT 1:

Recent Copy of Lease Document OT 12C/1139.



**COMPUTER INTEREST REGISTER
UNDER LAND TRANSFER ACT 1952**



Search Copy

R.W. Muir
Registrar-General
of Land

Identifier OT12C/1139
Land Registration District Otago
Date Registered 06 August 1990 11:27 am

Prior References
OT4B/269

Type	Lease under s83 Land Act 1948		
Area	4224.9724 hectares more or less	Term	33 years commencing on the 1st day of July 1970
Legal Description	Part Run 226B and Section 6 Block IV Blackstone Survey District		

Proprietors
Calder Farming Company Limited

Interests

358309 Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 1941 - 30.7.1990 at 10.45 am

Deed embodied in the Register OT16D/601 creating the following easement - 22.6.1995 at 10.07 am

Type	Servient Tenement	Easement Area	Dominant Tenement
Right of way	Section 1 Survey Office Plan 22850 - CT OT12C/1138	A Deed 16D/601	Part Run 226B - herein

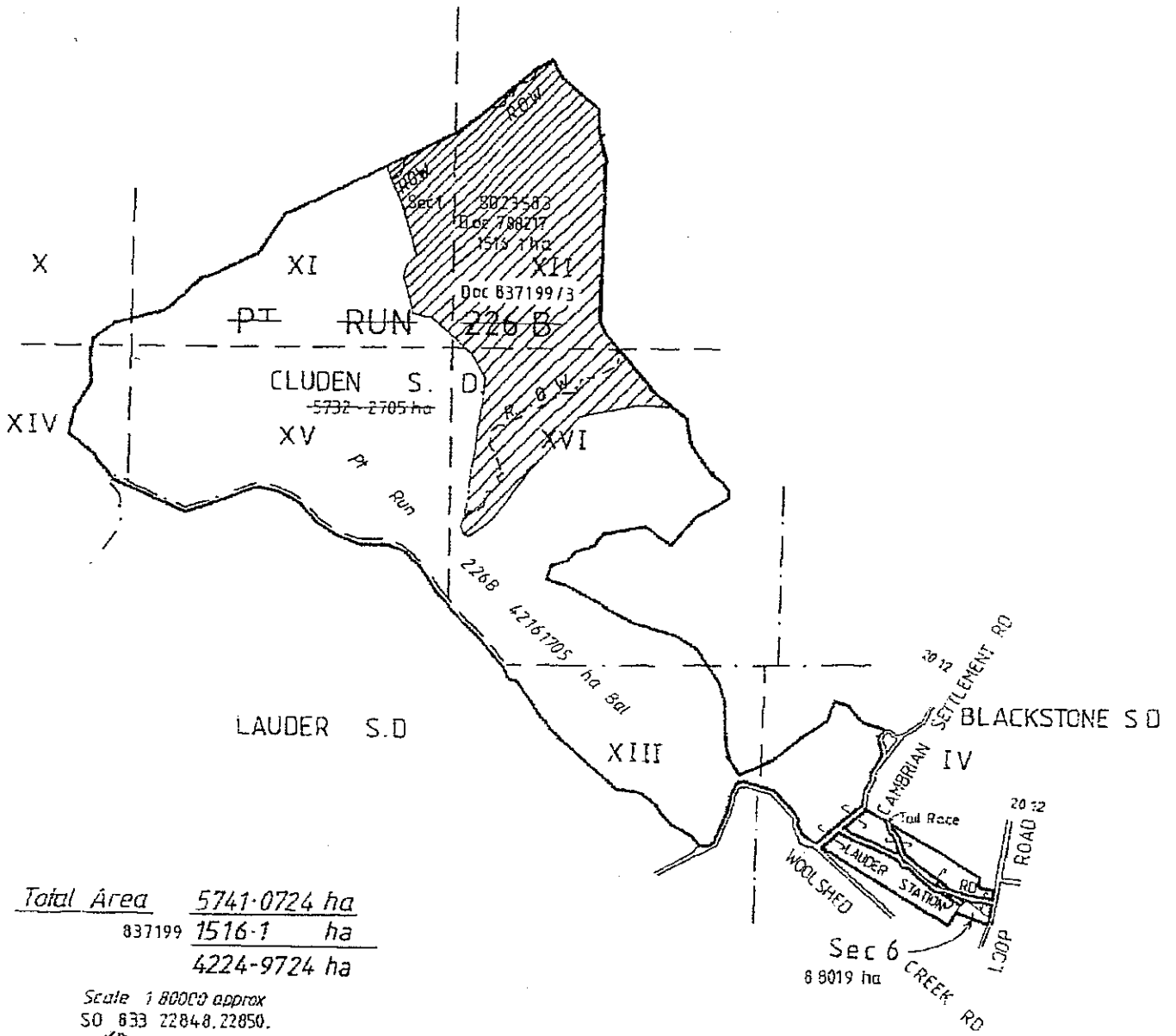
884917.9 Memorandum varying the covenants, conditions and restrictions contained in the within Lease - 22.6.1995 at 10.07 am

16D/997 Transfer creating the following easements in gross - 30.6.1995 at 12.28 pm (affects fee-simple)

Type	Servient Tenement	Easement Area	Grantee	Statutory Restriction
Convey water	Part Run 226B and Section 6 Block IV Blackstone Survey District - herein	Black line Transfer 16D/997	Omakau Area Irrigation Company Limited	

981355.3 Mortgage to ASB Bank Limited - 14.1.2000 at 9.59 am

REGISTER



Total Area 5741.0724 ha
 837199 1516.1 ha
 4224.9724 ha

Scale 1:80000 approx
 SO 833 2284.8.22850.
AD



**COMPUTER INTEREST REGISTER
UNDER LAND TRANSFER ACT 1952**



Historical Search Copy

R. W. Muir
Registrar-General
of Land

Identifier OT12C/1139
Land Registration District Otago
Date Registered 06 August 1990 11:27 am

Prior References
OT4B/269

Type	Lease under s83 Land Act 1948	
Area	4224.9724 hectares more or less	Term 33 years commencing on the 1st day of July 1970

Legal Description Part Run 226B and Section 6 Block IV
Blackstone Survey District

Original Proprietors
Calder Farming Company Limited

Interests

358309 Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 1941 - 30.7.1990 at 10.45 am

Deed embodied in the Register OT16D/601 creating the following easement - 22.6.1995 at 10.07 am

Type	Servient Tenement	Easement Area	Dominant Tenement
Right of way	Section 1 Survey Office Plan 22850 - CT OT12C/1138	A Deed 16D/601	Part Run 226B - herein

884917.9 Memorandum varying the covenants, conditions and restrictions contained in the within Lease - 22.6.1995 at 10.07 am

16D/997 Transfer creating the following easements in gross - 30.6.1995 at 12.28 pm (affects fee-simple)

Type	Servient Tenement	Easement Area	Grantee	Statutory Restriction
Convey water	Part Run 226B and Section 6 Block IV Blackstone Survey District - herein	Black line Transfer 16D/997	Omakau Area Irrigation Company Limited	

981355.3 Mortgage to ASB Bank Limited - 14.1.2000 at 9.59 am

NEW ZEALAND

Entered in the Register-book, the

No. 12C/1139

Former Ref. Vol. Pt 4B fol. 269

6 day of August

L. & S. Ref. No. P376

1990, at 11-17 o'clock.

REGISTER

[Signature]
Asst Land Registrar.

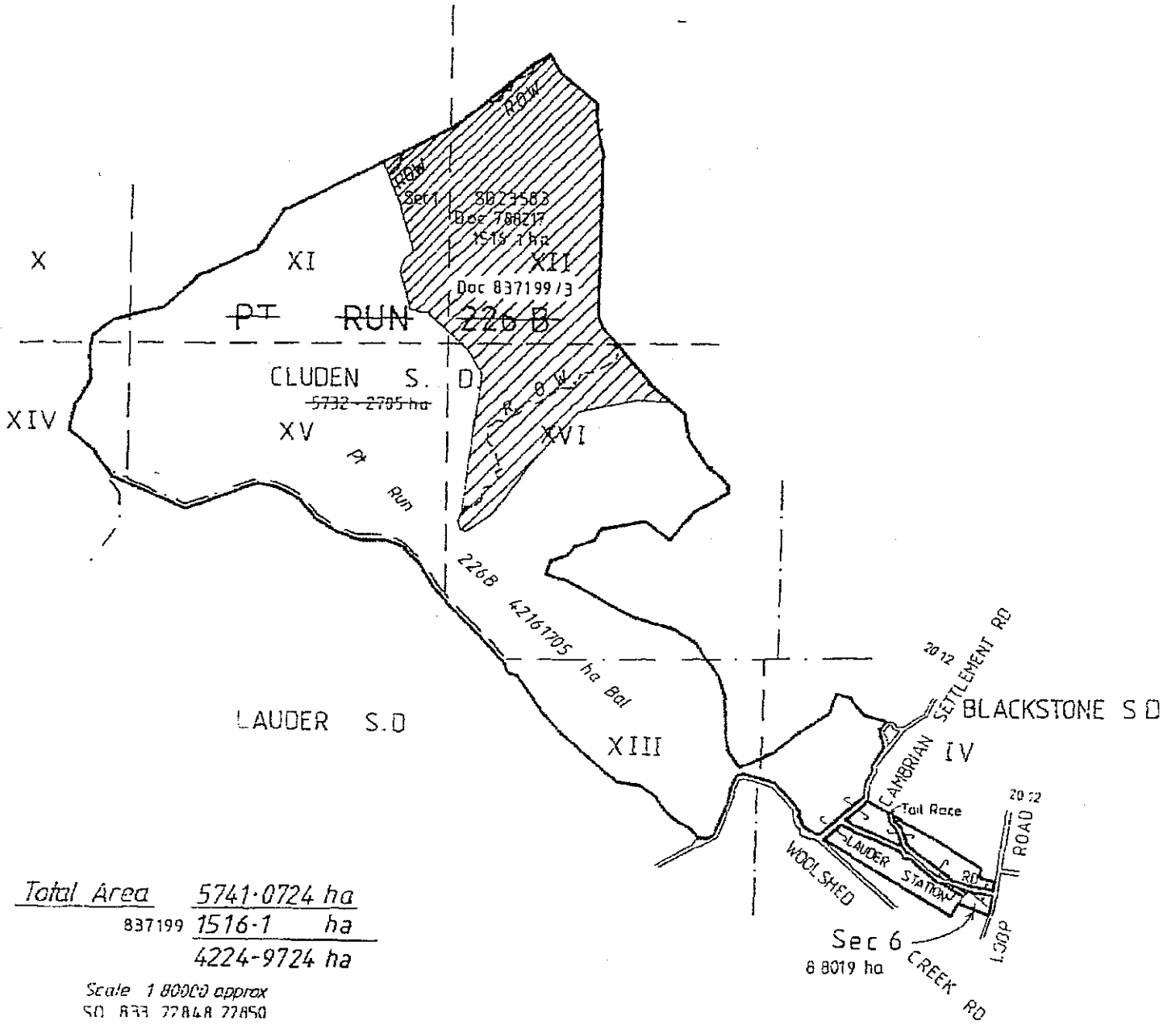
Pastoral Lease under the Land Act 1948

issued pursuant to Section 93 of the Land Act 1948 on the subdivision of the land contained in Pastoral Lease P327

This Deed, made the 27 day of July 1988 between HER MAJESTY THE QUEEN (hereinafter referred to as "the Lessor") of the one part, and David Allen Harley of Lauder, Sheep Farmer (1/2 share) Donald Gordon Harley of Lauder, Sheep Farmer (1/3 share) and Leanne Ruth Harley of Omakau married woman (1/6 share) as tenants in common in the said shares (hereinafter referred to as "the Lessee"), of the other part: WITNESSETH that, in consideration of the rent hereinafter reserved, and of the covenants, conditions, and agreements herein contained and implied, and on the part of the Lessee to be paid, observed, and performed, the Lessor doth hereby demise and lease unto the Lessee, all that parcel of land containing by estimation 5741.0724 hectares more or less, situated in the Land District of Otago, and being Part Run 226B situated in Lauder, Cluden and Blackstone Survey Districts and Section 6 Block IV Blackstone Survey District as the same is more particularly delineated with bold black lines on the plan hereon, together with the rights,

See Separate Sheet
For Diagram

No. 12C/1139



Total Area 5741.0724 ha
 837199 1516.1 ha
 4224-9724 ha

Scale 1:80000 approx
 SO 833 77848 77850

...with approval by the Registrar of Deeds... TO HOLD the said premises intended to be hereby demised... 35 years... on the 1st day of July 1970... together with the period between the date of this lease and the aforesaid 1st day of July 1970, YIELDING and paying thereon for the first 11 years of the said term unto the Department of Lands and Survey at Land Corporation Ltd at Dunedin annual rent of \$ 565.00 payable without demand by equal half-yearly payments in advance on the 1st day of January and the 1st day of July REGISTER year during the said period of 11 years and for the next two successive periods of 11 years of the said term a rent determined in respect of each of those periods in the manner provided in Section 66 (4A) of the Land Act 1948 AND also paying in respect of the improvements specified in the Schedule hereto the sum of \$ by deposit of \$- which has already been paid and thereafter by half-yearly instalments of \$- on the 1st day of January and the 1st day of July in each and every year.

AND the Lessee doth hereby covenant with the Lessor as follows.

1. That without derogating from or restricting the covenants contained and implied in this lease and on the part of the Lessee to be performed or complied with the Lessee will not at any time during the said term depasture on the land hereby demised more than 4300 sheep which number shall not include more than 1680 breeding ewes nor more than 35 cattle which number shall not include more than 20 breeding cows PROVIDED HOWEVER that the Lessee may with the prior written consent of the Land Settlement Board carry such additional stock on such terms and conditions as may therein be specified subject nevertheless to the right of the Land Settlement Board to revoke or vary such consent at any time.

2. That the Lessee will at all times farm the land hereby demised in a manner to promote soil conservation and prevent erosion and will comply with the provisions of the Soil Conservation and Rivers Control Act 1941.

AND it is hereby agreed and declared by and between the Lessor and Lessee:

THAT pursuant to the provisions of the Noxious Animals Act 1956 officers and employees of the New Zealand Forest Service and other authorised persons shall at all times have a right of ingress, egress, and regress over the land comprised in this lease for the purpose of determining whether such land or any adjoining land is infested with deer, wild goats, wild pigs, opossums, or other animals which the said Service is charged with the duty of exterminating or controlling, or for the purpose of destroying any such animals: Provided that such officers, employees, and other authorised persons in the performance of the said duties shall at all times avoid undue disturbance of the Lessee's stock

AND it is hereby declared and agreed that these presents are intended to take effect as a Pastoral Lease of pastoral land under Section 66 of the Land Act 1948 and the provisions of the said Act and of the regulations made thereunder applicable to such leases shall be binding in all respects upon the parties hereto in the same manner as if such provisions had been fully set out herein.

SCHEDULE OF IMPROVEMENTS BELONGING TO THE CROWN

NIL

In witness whereof the Commissioner of Crown Lands for the said Land District on behalf of the Lessor, has hereunto set his hand, and these presents have also been signed by the said Lessee.

Signed by the said Commissioner on behalf of the Lessor, in the presence of--

Witness

Occupation

Address

Commissioner of Crown Lands

Signed by the above-named Lessee, in the presence of--

Witness

Occupation

Address

Gillian R. McKnight, J.P.
Farmer - Shop Proprietor
Blackstone Hill Run Rd
Becks. Rd.
Omakau.

J.P. Hawley
Lessee
Cameron Taylor
Lessee
D. Hawley
Lessee

52274J-86PTK



REGISTER

... DIVID for and on behalf of
 HER MAJESTY THE QUEEN pursuant to
 Deed lodged with the District Land
 Registrar as No. 681189/2 by
 LAND CORPORATION LIMITED
 by its Attorney
 ROBERT PAUL WOODHOUSE
 in the presence of

LAND CORPORATION LIMITED
 by its Attorney

[Signature]

Witness: *[Signature]*

Occupation: Property Officer, Landcorp

Address: Dunedin

Interests at Date of Issue:

228243 Discharged Agreement under Part XI
 Public Works Act 1951 - 15.12.1960 at 11.50am
 J. Cannon
 A.L.R.

358309 Agreement under Section 30 Soil
 Conservation and Rovers Control Act 1941
 - 30.7.1990 at 10.43am

471604 Mortgage to The Rural Banking and
 Finance Corporation of New Zealand - 6.1.1977
 at 1.47pm (Varied the times subsequently)

519471/5 Mortgage of a 1/6 share David Allen
 Harley to Scobie Edwin James William Harley
 - 18.7.1979 at 9.15am (Varied once
 subsequently)

519471/6 Mortgage of a 1/6 share Donald
 Gordon Harley to Scobie Edwin James William
 Harley - 18.7.1979 at 9.15am (varied once
 subsequently)

531758 Land Improvement Agreement under
 the Soil Conservation and Rovers Control
 Act 1941 - 19.3.1980 at 2.15pm

531761 Land Improvement Agreement under
 the Soil Conservation and Rovers Control
 Act 1941 - 19.3.1980 at 2.15pm

533813/1 Mortgage to The Rural Banking and
 Finance Corporation of New Zealand - 1.5.1980
 at 1.41pm (Varied once subsequently)

632506 Land Improvement Agreement under
 the Soil Conservation and Rovers Control
 Act 1941 - 1.4.1985 at 11.2am

697005/5 Mortgage to The Rural Banking and
 Finance Corporation of New Zealand - 9.3.1980
 at 9.33am

697005/6 Mortgage to The Rural Banking and
 Finance Corporation of New Zealand -
 25.2.1988 at 9.33am

697005/7 Memorandum of Priority ranking
 (now) Mortgage 697005/5 as a First mortgage,
 Mortgage 697005/6 as a second mortgage,
 Mortgage 471604 as a third mortgage, Mortgage
 519471/5 as a fourth mortgage, Mortgage
 519471/6 as a fifth mortgage and Mortgage
 533813/1 as a sixth mortgage - 25.2.1988
 at 9.33am

[Signature] A.L.R.

761847 Notice of production of diagram
 of the within Run - 28.8.1990 at 9.17am

772491 Caveat by Her Majesty The Queen
 entered 7.2.1993 at 10.41am

773592/13 Transfer to David Allen Harley
 of Omakau, Farmer (as to a 2/3rds share)
 and Donald Gordon Harley of Omakau, Farmer
 (as to a 1/3rd share) - 22.2.1991 at 9.52am

[Signature] A.L.R.

12C/1138

773592/14 Mortgage to The Rural Bank Ltd and Finance Corporation of New Zealand - 22.2.1991 at 9.52am

DISCHARGED
22 JUN 1995
Jumavett
A.L.R.

X Part of the within land is now known as Section 1 SO 23583 (1516.1 ha) - 16.9.1991 at 9.17am New Appellation 788217

Jumavett
A.L.R.

837199/3 Surrender of part of the within lease being Section 1 S.O. Plan 23583 (1516.1ha) shown hatched black hereon effective from 2nd October 1991 - 27.8.1993 at 9.19

Jumavett
A.L.R.

841506 Transfer of a 1/6 share in this 2/6 share David Harley to Denise Harley as tenant, married 1.11.1994 at 9.46am

WITHDRAWN FROM REGISTER 16 MAY 1994
841506 Variation of mortgage 773592/14 11.1993 at 9.26am
Jumavett
A.L.R.

864029 Caveat by Calder Farming Company Limited entered 22.11.94 at 10.02am

WITHDRAWN FROM REGISTER 16 MAY 1994
Jumavett
A.L.R.

Appurtenant to the part Run 226B herein is a right of way with incidental rights over part Section 1 SO Plan 22850 (CT 12C/1138) shown marked "A" on the diagram annexed to Deed embodied in the Register as CT 16D/601 created by the said Deed - 22.6.1995 at 10.07am

Jumavett
A.L.R.

884917/9 Memorandum varying the covenants, conditions and restrictions contained in the within Lease - 22.6.1995 at 10.07am

Jumavett
A.L.R.

884917/10 Transfer to Calder Farming Company Limited - 22.6.1995 at 10.07am

DISCHARGED
A.L.R.
Jumavett

884917/11 Mortgage to The Trustees Executors and Agency Company of New Zealand Limited - 22.6.1995 at 10.07am

Jumavett
A.L.R.

885738 Transfer affecting the estate of Her Majesty the Queen in fee simple being a grant of a right (in gross) to convey water over part herein shown marked as a black line on the diagram annexed thereto together with incidental rights in favour of Omakau Area Irrigation Company Limited - 30.6.1995 at 12.28pm CT 16D/997 issued

Jumavett
A.L.R.

912088 Lease of part of the within land (2933.9ha) to Donald Gordon Harley of Omakau farmer as to a 1/6 share, Leanne Ruth Harley of Omakau farmer as to a 1/6 share, David Allen Harley of Omakau farmer as to a 1/6 share and to Calder Farming Company Limited as to a 1/2 share as tenants in common in the said shares for a term from 1.4.1988 until 30.6.2003 with Fencing and Renewal clauses - 16.7.1996 at 10.30 am

Jumavett
A.L.R.

927314 Exploration Permit under the Crown Minerals Act 1991 over part of the within land in favour of DML Mining Limited for the term of 5 years commencing on 10.6.1994 - 3.4.1997 at 9.42am See 9D/584

W Stockdale
A.L.R.

981355.3 Mortgage to ASB Bank Limited all 14.1.2000 at 9.59

H Patel
for RGL